

SECOND AMENDMENT TO LEASE

This Lease Amendment is made as of the 16<sup>th</sup> day of JUNE, 1999, by and between SWAN BAY HOLDINGS, INC., a Washington corporation ("Landlord" herein), and DOUGLAS MANAGEMENT COMPANY, an Alaska corporation ("Tenant" herein).

WITNESSETH:

WHEREAS, on June 30, 1995, the parties entered into a ten-year lease ("Lease" herein) of certain premises located at 7100 Second Avenue S.W., Seattle, Washington 98106, consisting of real property and improvements thereon ("Premises" herein); and

WHEREAS, as of September 3, 1996, the parties entered into a Lease Amendment granting to Tenant a right of first refusal; and

WHEREAS, the parties wish to further amend the Lease;

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the parties do hereby agree that the Lease shall be further amended as follows:

1. The lease term set out in Paragraph 3 of the Lease shall be amended to change the expiration date from May 31, 2005, to May 31, 2010.

2. Paragraph 13.2 of the Lease shall be amended to delete reference to the National Bank of Alaska and insert in its place "Landlord's lender."

3. Paragraph 17.2 of the Lease shall be amended to read as follows:

17.2 Tenant agrees to attorn to any person succeeding to the interest of Landlord upon any foreclosure or conveyance in lieu thereof provided such person succeeding to the interest of Landlord shall agree not to disturb the possession or tenancy of Tenant so long as Tenant is not in default under the Lease. Tenant agrees that this Lease may be subordinated to any mortgage or deed of trust hereafter placed on the Premises upon the election of Landlord in writing and upon written consent of Landlord's lender. Any subsequent subordination of this Lease shall be subject to the provisions of attornment and non-disturbance set forth in this paragraph.

4. Paragraph 23.2 of the Lease shall be amended to delete the language "the holder of the National Bank of Alaska Note" and insert in its place "Landlord's lender."

5. Paragraph 23.8 of the Lease shall be amended to delete the language "the holder of the National Bank of Alaska Note" and insert in its place "Landlord's lender."

6. Paragraph 32.2 shall be amended to read as follows:

32.2 Notwithstanding anything to the contrary herein, Tenant's right of first refusal shall be exercisable only if (i) the Tenant assumes the then remaining note obligations secured by this Lease that Landlord incurred to acquire and improve the Premises and Lynden Incorporated executes a written guaranty of Tenant's obligation thereunder in form and substance reasonably satisfactory to Landlord's lender; or (ii) the secured debt is paid in full.

Except as herein expressly modified, the Lease above described is in all respects ratified, confirmed and approved.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Lease as of the day and year first above written.


SWAN BAY HOLDINGS, INC.

By:

  
Its Secretary

DOUGLAS MANAGEMENT COMPANY

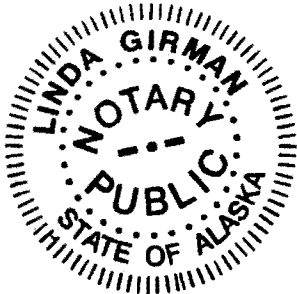
By:

  
Its PRESIDENT

STATE OF ALASKA           )  
                                      ) ss.  
3RD JUDICIAL DISTRICT)

On this 16<sup>th</sup> day of June, 1999, before me personally appeared JIM JANSEN, to me known to be the Secretary of SWAN BAY HOLDINGS, INC., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

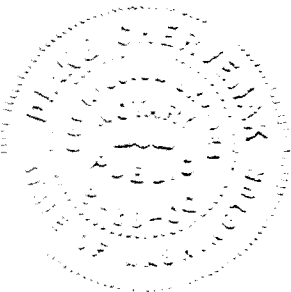


Linda Gorman  
Notary Public in and for the State  
of Washington  
My appointment expires: 6-15-2003

STATE OF WASHINGTON   )  
                                      ) ss.  
COUNTY OF KING       )

On this 16 day of June, 1999, before me personally appeared CHRISTEL F. HOLM, to me known to be the President of DOUGLAS MANAGEMENT COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Deane Chomeneh  
Notary Public in and for the State  
of Washington  
My appointment expires: 2/29/00.